GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3124
ANSWERED ON:21.03.2017
Feature of PEG Scheme
Godse Shri Hemant Tukaram

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the salient features of the Private Entrepreneurs Guarantee (PEG) Scheme implemented by the Government;
(b) whether the Government has allocated adequate funds for construction of godowns under the said Scheme during each of the last three years and the current year, if so, the details thereof, State-wise;
(c) whether the Government proposes to cover each State under the said Scheme so as to increase the capacity of godowns for storage of food grains in the country, if so, the details thereof and by when; and
(d) the other steps taken by Government to ensure safe storage of food grains across the country?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a): The Private Entrepreneurs Guarantee (PEG) scheme was introduced in the year 2008 & 2009 for construction of storage capacity in Public Private Partnership (PPP) mode. Under this scheme, godowns are constructed by private entrepreneurs, CWC and SWCs with their own funds and land. Food Corporation of India (FCI) gives guarantee of hiring for 10 years in case of Pvt. Investors and 9 years in case of CWC, SWCs and other State agencies. The salient features of PEG scheme are at Annexure-I.
(b): As already stated above, under PEG scheme, godowns are constructed by private parties, CWC, SWCs and other State agencies by arranging their own funds and land. No funds are allocated by the Government for construction of godowns.
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â€¦2â€¦
(c): All the states are already covered under this scheme, except Delhi and North Eastern States. There is no proposal to cover each State. State-wise details of capacity sanctioned and completed under PEG Scheme as on 31.01.2017 is at Annexure-II.
(d): Capacity augmentation is also being done under Plan Scheme. Govt. of India has approved augmentation of 2,92,730 MT capacity in North-Eastern States and 76,220 MT in other States during 12th Five Year Plan (2012-17). Out of this, a capacity of 1,17,680 MT in North-East and 20,000 MT in other States has been constructed.
Moreover, FCI is modernizing its existing storage capacity by construction of steel silos on PPP mode. Government has approved action plan for construction of steel silos in the country for a capacity of 100 LMT in 3 phases as per details below:
year
Selection of Silo Operator
Silo completion
2016-17
36.25 LMT (Phase − 1)
5 LMT
2017-18
29.00 LMT (Phase − 2)
15 LMT
2018-19
34.75 LMT (Phase − 3)
30 LMT
2019-20
50 LMT
Total
100 LMT
100 LMT
Against the above plan, as on 28.02.2017, silo operators for 38 LMT have been selected and 4.5 LMT of silo capacity has been completed.
In addition to capacity augmentation, normal measures taken by FCI to ensure safe storage of foodgrains are at Annexure-III.
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ANNEXURE-I
ANNEXURE REFERRED TO IN REPLY TO PART (a) OF UNSTARRED QUESTION NO 3124 TO BE ANSWERED ON 21ST MARCH, 2017 IN LOK SABHA.
The salient features of Private Entrepreneur Guarantee (PEG) Scheme are as under:-
â€¢ This scheme is implemented through private investors as well as Central Warehousing Corporation (CWC)/ State Warehousing Corporations (SWCs)/other State agencies in PPP mode.
â€¢ Investment and construction is done by the PPP partner. As return for investment FCI guarantees hiring of the godown constructed by a private party for 10 years. The guarantee period for CWC/SWCs is 9 years.
â€¢ The location and capacity for godowns are identified as per storage requirements by State Level Committees and finally approved by the High Level Committee (HLC) headed by Chairman & Managing Director, FCI.

â€¢ Minimum capacity for a godown is 5,000 MT in plain areas and 1,670 MT in hilly areas. Godowns of 5,000 MT and above capacity should be preferably within 8 KMs of full rake capacity railway goods shed/procuring mandi. Godowns of 25,000 MT and above capacity should be preferably with Railway sidings. All godowns should be near National/State highways.
â€¢ The godown must be constructed as per the specifications stipulated by FCI. In addition to construction, the partner may also provide services like security and preservation if required by FCI.
â€¢ The period of construction normally allowed in one year for godowns without railway siding and two years for godowns with railway siding. Delay in construction upto one may be allowed with similar reduction in the guarantee period and in case of delay beyond one year the agreement may be cancelled.
â€¢ Selection of the private party is done through open advertisement and two stage tendering process. The private party may be an individual or partnership firm or a company or trust, having ownership of land in the location where godown is to be constructed.
â€¢ A person holding land under Registered Lease for a minimum period of 13 years with permission to construct godown can also apply.
â€¢ A party, who does not own land, but intends to acquire the same within 120 days from the date of acceptance letter, can apply by furnishing an additional amount of Earnest Money Deposit (EMD) and a Supplementary Bank Guarantee @ Rs. 100.00 per MT.
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ANNEXURE-II

ANNEXURE REFERRED TO IN REPLY TO PART (C) OF UNSTARRED QUESTION NO 3124 TO BE ANSWERED ON 21ST MARCH, 2017 IN LOK SABHA.

STATEWISE CAPACITY COMPLETED UNDER PEG SCHEME AS ON 31.01.2017

(Capacity in MT)

Sl. No.	State	Capacity sanctioned/ allotted	Completed capacity
1	Andhra Pradesh	112,800	87,800
2	Bihar	432,000	213,000
3	Chhattisgarh	542,230	537,230
4	Gujarat	49,800	49,800
5	Haryana	3,499,489	3,449,959
6	Himachal Pradesh	124,200	24,170
7	Jammu & Kashmir	256,350	135,520
8	Jharkhand	358,000	123,000
9	Karnataka	241,440	241,440
10	Kerala	5,000	5,000
11	Madhya Pradesh	1,414,180	1,267,720
12	Maharashtra	564,527	

564,527
13
Odisha
365,000
304,500
14
Punjab
4,508,858
4,493,365
15
Rajasthan
235,000
220,000
16
Tamilnadu
255,000
175,000
17
Telengana
319,000
269,000
18
Uttar Pradesh
1,526,127
1,278,127
19
Uttarakhand
10,000
0
20
West Bengal
285,180
164,090
Total
15,104,181
13,603,248
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ANNEXURE III

ANNEXURE REFERRED TO IN REPLY TO PART (d) OF UNSTARRED QUESTION NO 3124 TO BE ANSWERED ON 21ST MARCH, 2017 IN LOK SABHA.

STEPS TAKEN BY FCI FOR SAFE STORAGE OF FOODGRAINS

Before the commencement of Rabi and Kharif Marketing Seasons, Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution, Govt. of India issues uniform specifications for procurement of foodgrains for the Central Pool. These uniform specifications are circulated to F.C.I. and all State Govts./Agencies with instructions to ensure that foodgrains are procured strictly in accordance with the uniform specifications.

2. Foodgrains procured by F.C.I. and State Govts/Agencies are stored in covered godowns as well as in CAP (cover and plinth).

3. During storage, the following steps are taken for safe storage and preservations of foodgrains:

(i) All godowns are constructed as per specifications.

(ii) Foodgrains are stored by adopting proper scientific code of storage practices.

(iii) Adequate dunnage materials such as wooden crates, bamboo mats, polythene sheets are used to check migration of moisture from the floor to the foodgrains.

(iv) Fumigation covers, nylon ropes, nets and insecticides for control of stored grain insect pests are provided in all the godowns.

(v) Prophylactic (spraying of insecticides) and curative treatments (fumigation) are carried out regularly and timely in godowns for the control of stored grain insect pests.

(vi) Effective rat control measures, both in covered godowns as well as in CAP storage are used.

(vii) Foodgrains in 'Cover and Plinth' (CAP) storage are stored on elevated plinths and wooden crates are used as dunnage material. Stacks are properly covered with specifically fabricated low-density black polythene water -proof covers and tied with nylon ropes/nets.

(viii) Regular periodic inspections of the stocks/godowns are undertaken by qualified and trained staff and all senior officers.The health of the foodgrains is monitored at regular intervals by a system of checks and super checks at different levels. Following Checks and Super checks are conducted in the godowns by FCI to ensure proper preservation of foodgrains in the storage.

a) Fortnightly inspection of stocks on 100% basis by Technical Assistant.

b) Monthly inspection by Manager(QC)

c) Quaterly inspection by AGM(QC)

d) Super Checks by Regional, Zonal and FCI Hqrs Squads.

(ix) The principle of "First in First Out" (FIFO) is followed to the extent possible so as to avoid longer storage of foodgrains in godowns.

(x) Only covered rail wagons are used for movement of foodgrains so as to avoid damage during transit.

(xi) Damage Monitoring Cells have been set up at District, Regional and Zonal levels to regularly monitor quality of stocks and reduce damages.

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